

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 6 - SB 90**

February 25, 2023

**SUMMARY OF BILL:** Defines utility task vehicles as a type of off-highway motorized vehicle that possesses a four-wheel drive capability. Authorizes utility task vehicles to be operated on the same roads, in the same manner, and subject to the same regulations as Class I and II off-highway vehicles. Authorizes utility task vehicles (UTV's) to be registered with the Department of Revenue for a fee of \$14.

Expands the authorization of utility task vehicles and Class I and II off-highway vehicles to include operation on state highways for which the posted speed limit is no greater than 45 miles per hour, subject to other existing requirements. Allows operators and passengers of utility task vehicles and Class I and Class II off-highway vehicles to wear a crash helmet if the vehicle is not equipped with seatbelts.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$100/FY24-25 and Subsequent Years/General Fund**

**\$2,400/FY23-24/Highway Fund**

**\$4,800/FY24-25 and Subsequent Years/Highway Fund**

**Assumptions:**

- The proposed legislation establishes the fee to register UTV's as \$14.
- According to the Department of Revenue (DOR), over the past three years, the average number of UTV's titled with DOR was 350. This number is assumed to remain constant.
- The cohort of the population of people who own UTV's who sought a title are assumed to represent those that would also seek a registration.
- Therefore, the total annual increase in state revenue for UTV registrations is estimated to be \$4,900 (350 UTV's x \$14).
- For the purposes of registration, the proposed legislation takes effect January 1, 2024.
- Therefore, the total one-time increase in state revenue is estimated to be \$2,450 (\$4,900 x 50%) in FY23-24.
- The total recurring increase in state revenue is estimated to be \$4,900 in FY24-25 and subsequent years.
- Pursuant to Tenn. Code Ann. § 55-6-107(a)(1), proceeds from revenue generated through the registration and licensing of motor vehicles are to be apportioned as follows: 98 percent to the Highway Fund, and 2 percent to the General Fund.

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- Therefore, the total one-time increase in state revenue to the General Fund is estimated to be \$49 ( $\$2,450 \times 2\%$ ) in FY23-24.
- The total recurring increase in state revenue to the General Fund is estimated to be \$98 ( $\$4,900 \times 2\%$ ) in FY24-25 and subsequent years.
- The total one-time increase in state revenue to the Highway Fund is estimated to be \$2,401 ( $\$2,450 \times 98\%$ ) in FY23-24.
- The total recurring increase in state revenue to the Highway Fund is estimated to be \$4,802 ( $\$4,900 \times 98\%$ ) in FY24-25 and subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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